

signed by Alpha

PROSPECTIVE INVESTOR:

COPY:



**SUPPLEMENT, DATED MAY 10, 2005, TO
CONFIDENTIAL PRIVATE PLACEMENT
MEMORANDUM DATED APRIL 15, 2005
461,539 Units Minimum
5,384,615 Units Maximum
for Gas and Oil Exploration and Development Activity**

The disclosure set forth below in this supplement (this "Supplement") modifies and supercedes the disclosure set forth in Fellows Energy, Ltd.'s confidential private placement memorandum, dated April 15, 2005 (the "Memorandum"), relating to its offering under Regulation D of the Securities Act of 1933, as amended, as more fully described below. Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Memorandum. The Memorandum, as modified hereby, contains important information regarding the Company, the Offering and the Units and should be read in its entirety before making an investment decision regarding the Offering. The terms and conditions contained in the documentation to be entered into in connection with the Offering, including the Subscription Agreement, the Warrant Agreement, and the Registration Rights Agreement, are hereby modified to cause such terms and conditions to be consistent with the disclosure contained in this Supplement.

Fellows Energy Ltd. ("Fellows" or the "Company"), is offering a minimum of \$900,000 and a maximum of \$10,500,000 of Units (the "Offering"), at a price of \$1.95 per Unit (each a "Unit" and collectively the "Units"), under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). Each Unit consists of (i) 3.55 shares of common stock, \$0.001 par value per share, of the Company (the "Common Stock") and (ii) one and one-half Series A warrants (each a "Warrant," collectively the "Warrants" and together with the Units and the Common Stock, the "Securities") to purchase Fellow's Common Stock. Each whole Warrant will entitle the holder to exercise such Warrant to purchase one share of Common Stock for a price of \$1.00 per share for three years from the date of purchase of such Unit.

5192 a share

Legend Merchant Group, Inc. ("Legend" or "Placement Agent") has agreed, as our exclusive agent, to offer the Units on a \$900,000 minimum, \$10,500,000 maximum "best efforts" basis. In a best-efforts offering, there is no assurance that all or any part of the Units will be sold.

	Price to Investors	Placement Agents' Fee (1)	Proceeds to Fellows (2)
Minimum Offering	\$900,000	\$117,000	\$783,000
Maximum Offering	\$10,500,000	\$1,365,000	\$9,135,000

REPRODUCTION OF THIS SUPPLEMENT OR THE MEMORANDUM IS NOT AUTHORIZED

The date of this Supplement is May 10, 2005

- (1) Fellows will pay to Legend, as the exclusive Placement Agent of the Offering, the following compensation: (i) a placement fee equal to 10% of the gross proceeds received from sales to certain investors identified by Legend;

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EXHIBIT B

- (ii) a warrant or warrants, identical to the Warrants contained in the Units, equal to 15% of the number of Units issued to certain investors identified by Legend, and (iii) a non-accountable expense allowance of 3% of the aggregate gross proceeds of the Offering. Fellows has also agreed to indemnify Legend and certain other persons against certain liabilities. See "Terms of the Offering" in the Memorandum.
- (2) Before deducting expenses payable by Fellows (other than the fees and expenses of Placement Agent). See "Use of Proceeds" in the Memorandum.

Terms of the Offering

The following summarizes the revised terms and conditions on which Fellows is offering to sell the Units exclusively to accredited investors in a private placement. The rights, preferences and privileges of the Common Stock is more particularly defined in the Articles of Incorporation filed in the State of Nevada.

Securities Offered:	A minimum of 461,539 Units and a maximum of 5,384,615 Units (the "Units") each consisting of 3.55 shares of common stock, \$0.001 par value per share, of the Company (the "Common Stock") and one-and one-half (1 1/2) Series A warrant to purchase the Company's Common Stock (each a "Warrant," collectively, the "Warrants" and together with the Units, and the Common Stock, the "Securities"). One (1) Warrant will be exercisable into one (1) share of Common Stock at \$1.00 per share for a period of three (3) years from the date of purchase of such Unit.
Offering Price:	\$1.95 per Unit
Minimum Offering:	\$900,000
Placement Fees and Expenses:	The Company shall pay placement fees to Legend Merchant Group, Inc., equal to 10% of accepted subscriptions, payable upon closing of a minimum offering of \$900,000, and Warrants, identical to the Warrants contained in the Units, equal to 15% of the Units sold in the Offering. We have also agreed to pay legend a non-accountable expense allowance equal to 3% of any subscriptions the Company accepts.

USE OF PROCEEDS

The maximum total gross proceeds expected from this Offering is \$10,500,000. The minimum gross proceeds expected from this Offering is \$900,000. Estimated cash Offering expenses are projected to be approximately \$100,000. Offering expenses include, but are not limited to, legal and accounting fees and costs and printing costs. The use of the proceeds from this Offering may vary depending upon the amount of subscriptions tendered and accepted.

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The following table reflects our anticipated uses of funds if the maximum offering amount is raised:

Project Description	Min. Proceeds	Max. Proceeds
Weston County, Wyoming and Gordon Creek, Utah Repayment of Project Loan	\$500,000	\$750,000
Overthrust CBNG, Rich, Morgan & Summit Counties, Utah Drilling and Evaluation Land Payments	\$0	\$2,750,000
Kirby CBNG, Big Horn & Custer Counties, Montana Acquisition from Quaneco, L.L.C.	\$0	\$1,766,000
Castle Rock CBNG, Powder River County, Montana Acquisition from Quaneco, L.L.C.	\$0	\$2,084,000
Bacaroo Project, Baca County, Colorado Drilling	\$0	\$500,000
Carter Creek, Converse County, Wyoming Drilling	\$0	\$500,000
Placement Agent Fees and Expenses	\$117,000	\$1,365,000
Working Capital and Offering Expenses	\$283,000	\$785,000
Total	\$900,000	\$10,500,000

The Company reserves the right to vary the use of proceeds based on (i) more than \$900,000 and less than \$10,500,000 being raised, (ii) developments in the business and at the properties as plans continue to be refined and (iii) changes in working capital needs. If only the minimum offering amount is raised in the Offering, the Company may not be able to implement its business plan in an effective manner, or at all. The acquisition, exploration and production of natural gas from CBNG and tight sands plays as well as conventional oil and gas properties are capital-intensive businesses. We currently do not have the funds available to meet existing and expected expenditures related to our existing projects or to repay outstanding indebtedness over the next 12 months. If we sell the minimum amount of Units in this Offering, we expect to realize gross proceeds of \$1,850,000. Our current liabilities as of December 31, 2004 were approximately \$2,000,000. Moreover, we have an obligation to pay Quaneco, L.L.C. \$500,000 upon the initial closing of this Offering and \$2,400,000 by May 15, 2005 in connection with an option agreement to acquire a 12.5% interest in the Kirby CBNG Project and the Castle Rock CBNG Project (See "Property Overview"). If we fail to make such payments, we will lose our interest in such projects. If we sell only the minimum amount of Units, we would not be able to make the required payment to Quaneco, we would not have enough funds to meet our current liabilities and we would need to seek additional short-term financing to meet our obligations. Additionally, even if we realize the maximum gross proceeds from this offering of \$10,500,000, we will be unable to satisfy all our expected expenditures related to our current projects, including acquisition of properties and development costs. As such, we will require significant additional capital in order to pursue our growth strategy. If we are unable to obtain additional equity capital from investors or cannot secure debt financing on terms acceptable to us or at all, we may be unable to pursue our development

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Capitalization

	Actual	As Adjusted max(1)	As Adjusted min(1)
Cash and cash equivalents	\$149,027	\$9,184,027	\$783,000
Restricted cash	135,000	135,000	135,000
Note payable to associated entity (2)	56,379	56,379	56,379
Convertible note payable (matured Mar '05, being converted into 2,449,265 shares of Common Stock, has anti-dilution rights)	350,000	—	—
Convertible debenture (matures 06/04/2006, convertible @ \$1.25, as additional consideration 400,000 warrants were issued exercisable @ \$1.50, both the convertible debenture and the warrants have anti-dilution rights)	1,000,000	1,000,000	1,000,000
Stockholders' equity:			
Warrants offered hereby exercisable for 8,250,000 shares of Common Stock @ \$1.00 per share	—	—	
Common Stock Insurance Obligation (400,000 shares of Common Stock)	362,500	362,500	362,500
Preferred stock, \$0.001 par value; 25 million authorized; none issued and outstanding	—	—	
Common stock, \$0.001 par value; 100 million authorized shares; 41,743,150 issued and outstanding; pro forma as adjusted: 66,596,260/49,143,815 (3)	41,743	66,596	49,144

Additional paid in capital	4,201,702	13,568,099	5,388,945
Accumulated deficit	(3,957,497)	(3,957,497)	(3,957,497)
Total stockholders' equity	644,448	10,039,698	1,431,448
Total capital	\$2,338,854	\$20,415,104	\$5,201,730

(1) As adjusted to reflect the sale of the \$10,500,000 in Common Stock, net of estimated placement fees and expenses of approximately \$1,465,000.

(2) The \$56,379 note is a demand note and may be paid off at any time upon demand. The amount due under the note is not intended to be paid out of the Use of Proceeds.

(3) Includes approximately 5,737,727 restricted securities outstanding prior to this Offering that the Company expects to register on the Registration Statement.

Dilution

If you invest in the Units, your interest will be diluted to the extent of the difference between the Offering Price of the Units and the pro forma as adjusted net tangible book value per share of Common Stock immediately after this offering. Pro forma net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of Common Stock outstanding at December 31, 2004.

Investors participating in this offering will incur immediate, substantial dilution. Our net tangible book value was \$648,448, computed as total stockholders' equity less goodwill and other intangible assets, or \$0.01553 per share of Common Stock outstanding at December 31, 2004. Assuming the sale by the Company of all the Units offered in this Offering at an initial offering price of \$1.95 per Unit, and after deducting estimated placement fees and estimated offering expense, our pro forma as adjusted net tangible book value at December 31, 2004, would have been \$9,683,448, or \$0.15915 per share of Common Stock. This represents an immediate increase in pro forma net tangible book value of \$0.14362 per share of Common Stock to our existing stockholders and an immediate dilution of \$0.39085 per share to the new investors purchasing Units in this Offering. The following table illustrates this per share dilution, both as to the maximum and minimum amounts being received in this financing:

	Maximum Offering		Minimum Offering	
Offering Price Per Unit		\$1.95000		same
Shares per unit		3.55		
Offering price per share, with no allocation to the Warrants		\$0.55000		
Net tangible book value per share at December 31, 2004	\$0.01553			same

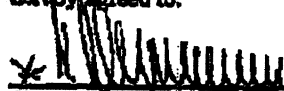
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Increase in pro forma net tangible book value per share attributable to this Offering	\$0.14362			\$0.01746
Pro forma as adjusted net tangible book value per share after the Offering				\$0.03299
Dilution per share to new investors		\$0.15915	\$0.39035	\$0.51701

The discussion and table above are based on the number of shares of Common Stock outstanding as March 21, 2005.

Receipt of this Supplement is hereby acknowledged and the terms and conditions of this Supplement are hereby agreed to:



Signature of Investor
Alpha Capital.

FORM 4-2004 (Rev. 10-2003)